

April 16, 2001

TO: School District Administrators

FROM: Gerri Ogle, Associate Commissioner, Administrative and Financial Services
Dale Carlson, Director, School Finance
Gary Dixon, Director, School Governance

RE: April Financial Information

Enclosures

The following documents are included in this envelope if applicable to your district:

Payment Sheets
Basic Formula Calculation
Transportation Memo & Calculation Sheet
Transportation Training Registration Forms

Prior Year (1999-2000) Proration Factor - Basic Formula Adjustment

Each year the prior year apportionment is recalculated from November through the following June. Therefore, the amount per eligible pupil (EP) for 1999-2000 will be recalculated each month from November, 2000 through June, 2001. There will likely be prior year corrections in each of the remaining months of the 2000-01 payment year due to continued data corrections causing a change in the 1999-2000 Line 1B proration factor. Only districts with 1999-2000 Basic Formula tax rates greater than \$2.75 are affected by the Line 1B proration factor. A detailed explanation for the prior year apportionment recalculation was provided in the November, 2000, memorandum. The 1999-2000 Line 1B proration factor has decreased from the June, 2000 factor as follows:

	PRORATION FACTOR	
	<u>Line 1A</u>	<u>Line 1B</u>
June, 2000 Calculation of the 1999-2000 Basic Formula:	1.00000000	1.00000000
Recalculation of the 1999-2000 Basic Formula:		
November, 2000	1.00000000	0.97568629
December, 2000	1.00000000	0.97506592
January, 2001	1.00000000	0.97502131
February, 2001	1.00000000	0.97503911
March, 2001	1.00000000	0.97403295
April, 2001	1.00000000	0.97391689

Current Year (2000-01) Proration Factor

The proration factor used on Line 1 in the April, 2001 Basic Formula calculation was 1.00. **While this factor may change every month, it is not expected to decrease below 1.00000000 through June, 2001.**

2000-01 Basic Formula Calculation:	PRORATION FACTOR	
	<u>Line 1A</u>	<u>Line 1B</u>
November, 2000	1.00000000	1.00000000
December, 2000	1.00000000	1.00000000
January, 2001	1.00000000	1.00000000
February, 2001	1.00000000	1.00000000
March, 2001	1.00000000	1.00000000
April, 2001	1.00000000	1.00000000

Proposition C Rollback Compliance Letters

Proposition C rollback compliance letters were mailed March 22, 2001. The preliminary estimates for the state assessed railroad and utilities revenue for line 2a of the 2001-02 District Tax Reduction Worksheet (Prop C rollback worksheet) and for Line 14 of the State Auditor's Office forms for the prior year's before Proposition C and voluntary rollback calculations are included on page 2 of the letter.

Estimates to be used on the State Auditor's 2001 Form A, Line 19, should be calculated collectively by the school districts in each county using the provisions of Section 151.150, RSMo. The School Finance Section, Department of Elementary and Secondary Education, cannot estimate those revenues for the school districts. These revenues may change significantly from 2000 because of reassessment causing a reduction in the tax rate ceiling.

2000-01 Annual Secretary of the Board Report

The 2000-01 Annual Secretary of the Board Report (ASBR) will no longer be available by program diskette or download from the Internet. A new reporting format is under development that will allow the collection of ASBR data through several Internet web pages designed along the lines of the existing PC ASBR program data entry pages with which school districts are familiar. A district will have two options for entering data on the web screens. One option allows the district to submit the ASBR .txt files through the file transfer protocol (FTP) process to DESE. This requires the district's accounting program vendor to modify its existing end-of-year program to create the required .txt files for use in the ASBR. All vendors who have indicated to DESE an interest in creating the appropriate files for the ASBR have been mailed a copy of the new ASBR file specifications. The district may want to contact its vendor to see if plans are being made to modify the program. If the vendor does not modify the file structure, the district will not be able to use the FTP process for entering data. The second option for entering data is the hand keying of all ASBR data. This option will be used if the district is unable to use the FTP process.

August 15th is the required submission date for the 2000-01 ASBR. Do not wait until the last minute to work on the ASBR for submission to DESE. The district may FTP or hand key ASBR data anytime after the web program is released for district use. Placing data on the web site does not constitute an official submission meeting the August 15th deadline. Placing the data on the various web pages will allow the district to edit the data, making changes as necessary. A major change in the web format revolves around the edit process. Over 200 warnings and errors have been written in the program to identify potential data problems. The 2000-01 ASBR may be "submitted" with warnings. It cannot be "submitted" with errors. All errors must be corrected before the system will accept a "submission". Errors generally involve specific data that have been provided the district such as transfer amounts. Other errors that require correction are column and line total errors between the various parts of the report. The 2000-01 ASBR web version should be available the last week of June. As previously stated, do not wait until the submission deadline to start on the report.

2000-01 ASBR E-Mail Contact Person

Much of the notification process used for the 2000-01 ASBR, such as notification of a submitted report, edit letters, balance letters, etc., will be done by e-mail. In order to provide proper and timely notification of ASBR related functions, DESE must have an accurate e-mail address for the person responsible for these ASBR functions. This e-

mail address must be reported on Core Data Screen 3 in the block for FINANCE. If this has not been done to date, the district should ensure that a correction to Screen 3 is submitted to the Core Data Section. Please double check the information on Screen 3 to ensure the e-mail address in the FINANCE block is correct.

Estimated Eligible Pupils

Section 163.036, RSMo, authorizes districts to be paid in the Basic Formula on the greater of the current year estimated eligible pupils (EP), the first preceding year actual EP, or the second preceding year actual EP. For example, during the 2000-01 year, districts may be paid on the greater of the 1998-99 EP, the 1999-2000 EP, or the estimated 2000-01 EP. The DESE Basic Formula computer program will compare the three numbers and use the highest. No special request by the district is needed.

The district may have entered an estimated EP number for 2000-01 on the August Core Data Screen 2 or may now submit a screen print of Screen 2 with the Estimated EP field completed and highlighted. The Estimated Eligible Pupil field on Screen 2 should only be completed if the district expects the 2000-01 EP to be greater than the actual 1998-99 or 1999-2000 EP. If the district entered an estimated EP number on Screen 2 of the 2000-01 August Core Data that is less than or equal to the actual EP for 1998-99 or 1999-2000, the district should revise Screen 2 and delete the estimated EP amount. Send a revised screen print to the School Finance Section. Estimates or revisions to estimates must be submitted by May 15, 2001.

NOTE: Although a district should be careful not to overestimate its 2000-01 EP, if the district's attendance data for the 2000-01 regular year plus the 2000 summer school ADA doubled yields a projected EP greater than the EP currently being used in the 2000-01 Basic Formula, the district should seriously consider submitting an estimate by May 15. It is important for the June 2000-01 calculation to reflect as accurate an EP as possible (the greater of the actual 1998-99, actual 1999-2000, or estimated 2000-01 EP).

2001-02 Revenue Transfer Calculations (.18 and .06)

The 2001-02 revenue transfer calculations for the .18 and .06 transfers will be provided by the School Finance Section in June, 2001. The calculation will be the 1999-2000 eligible pupils educated in the district multiplied by the guaranteed tax base of \$130,789 multiplied by .18 and .06, respectively. If your district's eligible pupil count decreased in 1999-2000 compared to 1998-99, then the district's transfer capacity for 2001-02 may decrease from the 2000-01 revenue transfer calculations. Keep this in mind when budgeting the 2001-02 transfers to the Capital Projects Fund.

SCHOOL GOVERNANCE

Boundary Change

As requested in the March memo, and if not already submitted, please send a copy of the ballot with a legal description of any boundary change made in your district as a result of the April Election. This information should be sent to the School Governance Section.

Support Staff Workshops

The February Finance Memo included information on and an application for the Plant Support Staff Workshops to be held this summer in five locations. It would be helpful, if your district plans to send staff to the workshops, to return the application as soon as possible. The workshop information is available on the web at <http://www.dese.state.mo.us/divadm/govern/workshops.html>.

NHTSA Warns of Van Rollover Risk

The National Highway Traffic Safety Administration (NHTSA) states 15 passenger vans have a high rollover risk when fully loaded and should be operated only by experienced drivers. NHTSA found that when fully loaded, a large van's center of gravity shifts up and to the back increasing the risk of rollovers, especially in panic maneuvers by

drivers. Additional information can be found under NEWS on the NHTSA web page at the following address:

<http://www.nhtsa.dot.gov/>.

Minimum Requirements for School Bus Chassis and Body

The State Board of Education approved during its March board meeting a Notice of Rulemaking to amend Rule 5 CSR 30-261.025, Minimum Requirements for School Bus Chassis and Body. The recommended *2002 Minimum Standards for School Buses* can be found on the department's transportation web page. The specifications will apply to school buses with a body tag "build date" after June 30, 2002. Please feel free to download and copy the recommended *2002 Minimum Standards for School Buses*.

The amended rule will be published in the *Missouri Register* on May 1, 2001. Anyone may file a statement in support of or in opposition to the proposed amendment with the Department of Elementary and Secondary Education by writing Gary Dixon, Director of School Governance, P.O. Box 480, Jefferson City, Mo 65102. To be considered, the comments must be received between May 1 and May 31, 2001.